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NORTHERN AND CENTRAL
GAS CORPORATION LIMITED

CORPORATION DE GAZ NATUREL DU QUÉBEC • NORTHERN ONTARIO NATURAL GAS • TWIN CITY GAS • LAKELAND NATURAL GAS •
CANADIAN INDUSTRIAL GAS & OIL LTD. • GREATER WINNIPEG GAS COMPANY • CHAMPION PIPE LINE CORPORATION LIMITED • LE GAZ PROVINCIAL DU NORD DE QUÉBEC LTÉE •

FINANCIAL INFORMATION

1967


NORTHERN AND CENTRAL GAS CORPORATION LIMITED

The financial statements and statistics included in this booklet are designed to supplement the Annual Report to Shareholders and to show individually the net income, balance sheet and operating data of each component of the Company's four major operating divisions for each of the five years 1963 to 1967, inclusive. There is also included a comparative combined statement of income prepared on the basis that the percentage ownership of subsidiaries at December 31, 1967 had been held for the entire five year period.

The order in which the information has been presented is as follows:-

	<u>Year of Acquisition</u>	<u>% Owned at Dec. 31/67</u>	<u>Page</u>
Comparative Combined Statement of Income	Northern and Central Gas Corporation Limited and all its subsidiaries	-	1
Comparative Combined Operating Data (Utilities only) Utility Operations -	All Utility Operations	-	2
Ontario Division	Northern Ontario Natural Gas and Twin City Gas	Prior to 1963	100.0 3-7
Quebec Division	Lakeland Natural Gas Limited	1965	100.0 8-12
Manitoba Division	Quebec Natural Gas Corporation	1967	65.2 13-17
Oil and Gas Exploration and Production Alberta Division	Greater Winnipeg Gas Company	1965	99.1 18-22
	Canadian Industrial Gas & Oil Ltd. and subsidiaries	1966	90.9 23-27

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COMPARATIVE COMBINED STATEMENT OF INCOME
FOR THE YEARS 1963 to 1967 (Inclusive) (Note 1)
(Thousands of Dollars)

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Operating Revenues					
Gas sales, etc.	\$ 65,612	75,930	85,757	94,285	103,064
Production sales, etc.	<u>9,378</u>	<u>13,348</u>	<u>17,119</u>	<u>19,383</u>	<u>21,135</u>
	<u>74,990</u>	<u>89,278</u>	<u>102,876</u>	<u>113,668</u>	<u>124,199</u>
Operating Expenses					
Operations and maintenance	52,794	60,456	67,949	76,967	84,202
Depreciation, depletion and amortization	5,906	7,356	8,474	9,155	10,188
Unproductive exploration, etc.	1,226	1,522	-	-	-
Taxes, other than income taxes	1,911	2,135	2,366	2,627	3,295
Taxes, income	<u>67</u>	<u>367</u>	<u>1,095</u>	<u>1,443</u>	<u>1,289</u>
	<u>61,904</u>	<u>71,836</u>	<u>79,884</u>	<u>90,192</u>	<u>98,974</u>
Operating Income	13,086	17,442	22,992	23,476	25,225
Other Income and Special Items	<u>435</u>	<u>1,054</u>	<u>892</u>	<u>1,097</u>	<u>1,578</u>
Total Operating and Other Income	<u>13,521</u>	<u>18,496</u>	<u>23,884</u>	<u>24,573</u>	<u>26,803</u>
Interest and Other Deductions					
Interest - net	8,540	9,485	9,833	10,229	11,737
Amortization of deferred charges	341	360	369	359	424
Loss on exchange and other	153	52	69	118	78
Provision for minority interest (Note 2)	<u>286</u>	<u>961</u>	<u>1,825</u>	<u>2,012</u>	<u>2,123</u>
	<u>9,320</u>	<u>10,858</u>	<u>12,096</u>	<u>12,718</u>	<u>14,362</u>
NET INCOME	\$ 4,201	7,638	11,788	11,855	12,441

Note 1 - This statement combines the operating results of the Company and all its subsidiaries for the entire period regardless of dates of acquisition.

Note 2 - Represents preferred dividends of subsidiary companies and earnings available to the minority common shareholders based on percentage ownership held at December 31, 1967.

COMBINED 5 YEAR STATISTICAL COMPARISON (UTILITIES ONLY)
FOR THE YEARS 1963 to 1967 (Inclusive)

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Gas Sales - Revenue (000's)					
Industrial firm	\$ 10,398	12,128	14,185	16,490	20,238
Industrial - Subject to curtailment	12,263	13,378	11,924	12,040	12,298
Commercial	10,562	12,464	14,723	16,411	18,417
Residential	31,043	36,238	39,849	42,173	45,582
Other operating revenue	1,346	1,722	2,079	2,488	2,943
Resale	-	-	2,997	4,683	3,586
Total Operating Revenue	\$ 65,612	75,930	85,757	94,285	103,064
Gas Sales - Volume (M.M.C.F.)					
Industrial firm	20,243	23,401	26,749	31,600	38,757
Industrial - Subject to curtailment	33,629	37,174	32,700	32,873	33,665
Commercial	12,057	14,699	17,502	19,808	22,066
Residential	23,284	28,176	32,268	34,583	37,488
Resale	-	-	6,603	10,318	8,029
Active Customers at Year End	89,213	103,450	115,822	129,182	140,005
Industrial	1,668	1,689	1,742	1,839	1,916
Commercial	19,485	20,596	21,683	22,537	23,651
Residential	321,789	331,809	339,680	348,351	360,279
Resale	-	-	1	1	-
Expenditures for Plant Additions (000's)	342,942	354,094	363,106	372,728	385,846
	\$ 21,520	19,181	20,110	35,180	34,841

COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEARS 1963 to 1967 (Inclusive)
(Thousands of Dollars)

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Operating Revenues					
Gas sales	\$ 21,303	23,963	26,291	28,311	32,807
Other	<u>307</u>	<u>450</u>	<u>599</u>	<u>687</u>	<u>772</u>
Operating Expenses	<u>21,610</u>	<u>24,413</u>	<u>26,890</u>	<u>28,998</u>	<u>33,579</u>
Gas purchased	14,024	16,028	17,088	18,226	21,300
Operations and maintenance	2,524	2,652	3,123	3,045	4,022
Depreciation	946	1,091	1,241	1,517	1,661
Taxes, other than income	278	341	359	388	464
Taxes, income	<u>8</u>	<u>9</u>	<u>43</u>	<u>161</u>	<u>(41)</u>
Operating income	<u>17,780</u>	<u>20,121</u>	<u>21,854</u>	<u>23,337</u>	<u>27,406</u>
Other Income	3,830	4,292	5,036	5,661	6,173
	<u>113</u>	<u>97</u>	<u>138</u>	<u>112</u>	<u>398</u>
Total Operating and Other Income	<u>3,943</u>	<u>4,389</u>	<u>5,174</u>	<u>5,773</u>	<u>6,571</u>
Interest and Other Deductions					
Interest on long-term debt and bank loans	2,086	2,163	2,238	2,771	3,829
Amortization of deferred charges	128	135	137	152	168
Loss on exchange and other	153	52	68	118	78
Provision for minority interest	<u>15</u>	<u>16</u>	<u>17</u>	<u>18</u>	<u>11</u>
	<u>2,382</u>	<u>2,366</u>	<u>2,460</u>	<u>3,059</u>	<u>4,086</u>
NET INCOME	1,561	2,023	2,714	2,714	2,485
Retained Earnings at Beginning of Year	3,096	3,839	4,927	6,489	10,312
Income of Subsidiary Companies not Included Above	-	-	492	5,721	8,707
Gain on Issuance of Subsidiary's Common Shares	-	-	-	74	-
	<u>4,657</u>	<u>5,862</u>	<u>8,132</u>	<u>14,998</u>	<u>21,504</u>
Less: Dividends on preference shares	120	113	191	760	1,238
Dividends on common shares	698	822	989	3,021	4,431
Subsidiary acquisition costs	-	-	347	636	174
Amortization of acquisition premiums, etc.	-	-	117	269	605
	<u>818</u>	<u>935</u>	<u>1,644</u>	<u>4,686</u>	<u>6,448</u>
Retained Earnings at End of Year	\$ 3,839	4,927	6,488	10,312	15,056

ONTARIO DIVISION (EXCLUDING LAKELAND)
DIVISION OF NORTHERN AND CENTRAL GAS CORPORATION LIMITED

4.

COMPARATIVE BALANCE SHEET
FOR THE YEARS 1963 to 1967 (Inclusive)
(Thousands of Dollars)

<u>ASSETS</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Utility Plant		52,119	59,147	73,728	88,958
Less: Accumulated depreciation	\$ 48,190	<u>2,858</u>	<u>3,814</u>	<u>5,071</u>	<u>6,476</u>
	<u>46,132</u>	<u>49,261</u>	<u>55,333</u>	<u>68,657</u>	<u>82,482</u>
Investments In and Advances to Subsidiary Companies not Consolidated	<u>-</u>	<u>-</u>	<u>29,435</u>	<u>59,972</u>	<u>110,764</u>
Current Assets					
Cash	289	236	392	95	690
Accounts receivable	2,637	3,151	3,703	3,974	4,445
Unbilled gas sales	1,429	1,182	958	1,084	1,215
Materials and supplies	395	385	537	608	656
Prepayments, advances and deposits	<u>311</u>	<u>115</u>	<u>283</u>	<u>209</u>	<u>291</u>
	<u>5,061</u>	<u>5,069</u>	<u>5,873</u>	<u>5,970</u>	<u>7,297</u>
Other Assets					
Marketable securities	-	-	-	329	35
Mortgages receivable	-	-	-	296	634
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>214</u>	<u>261</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>839</u>	<u>930</u>
Deferred Charges					
Unamortized debt expense	1,820	1,757	1,645	1,720	2,748
Unamortized capital stock expense	246	193	830	861	2,196
Other	<u>91</u>	<u>216</u>	<u>6</u>	<u>50</u>	<u>353</u>
	<u>2,157</u>	<u>2,166</u>	<u>2,481</u>	<u>2,631</u>	<u>5,297</u>
Premium Incurred on the Acquisition of Subsidiary Companies	<u>1,844</u>	<u>1,844</u>	<u>1,815</u>	<u>1,807</u>	<u>1,772</u>
	<u>\$ 55,194</u>	<u>58,340</u>	<u>94,937</u>	<u>139,876</u>	<u>208,542</u>

ONTARIO DIVISION (EXCLUDING LAKELAND)
DIVISION OF NORTHERN AND CENTRAL GAS CORPORATION LIMITED

5.

COMPARATIVE BALANCE SHEET
FOR THE YEARS 1963 to 1967 (Inclusive)
(Thousands of Dollars)

<u>LIABILITIES</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Shareholders' Equity					
Capital Stock					
6% First preference shares	\$ 2,000	1,500	-	-	-
\$2.60 First preference shares	-	-	8,000	8,000	7,816
\$2.70 First preference shares	-	-	-	-	2,150
\$1.06 Second preference shares	-	-	8,123	7,919	7,716
\$1.50 Second preference shares	-	-	-	-	33,000
Common shares	7,862	10,233	26,279	51,606	53,461
Retained earnings	<u>3,839</u>	<u>4,927</u>	<u>6,489</u>	<u>10,312</u>	<u>15,056</u>
	<u>13,701</u>	<u>16,660</u>	<u>48,891</u>	<u>77,837</u>	<u>119,199</u>
Contributions in Aid of Construction	<u>122</u>	<u>209</u>	<u>229</u>	<u>254</u>	<u>348</u>
Long-Term Debt					
Funded debt	35,076	33,687	32,161	42,636	71,710
Mortgages	66	254	249	241	234
Bank loans	<u>-</u>	<u>2,750</u>	<u>7,500</u>	<u>12,000</u>	<u>8,500</u>
	<u>35,142</u>	<u>36,691</u>	<u>39,910</u>	<u>54,877</u>	<u>80,444</u>
Minority Interest in Subsidiary Companies	<u>62</u>	<u>78</u>	<u>84</u>	<u>58</u>	<u>-</u>
Current Liabilities					
Bank loans	2,515	660	720	825	825
Accounts payable and accrued	2,347	2,381	3,313	3,969	4,479
Accrued interest	243	236	226	378	655
Dividends payable	30	26	-	-	-
Income and other taxes	7	9	39	153	(170)
Current maturity on debt	<u>1,025</u>	<u>1,390</u>	<u>1,525</u>	<u>1,525</u>	<u>2,762</u>
	<u>6,167</u>	<u>4,702</u>	<u>5,823</u>	<u>6,850</u>	<u>8,551</u>
	<u>\$ 55,194</u>	<u>58,340</u>	<u>94,937</u>	<u>139,876</u>	<u>208,542</u>

ONTARIO DIVISION (EXCLUDING LAKELAND)
DIVISION OF NORTHERN AND CENTRAL GAS CORPORATION LIMITED

5 YEAR STATISTICAL COMPARISON
FOR THE YEARS 1963 to 1967 (Inclusive)

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Average Use per Customer - Volume					
Industrial	260,110	284,186	272,815	277,603	315,113
Commercial	1,129	1,187	1,252	1,264	1,390
Residential	133	136	144	151	154
Average Revenue per M.C.F.	\$				
Industrial	0.408	0.411	0.422	0.428	0.429
Commercial	0.793	0.760	0.777	0.776	0.774
Residential	1.265	1.286	1.233	1.318	1.325
Average Revenue per Customer	\$				
Industrial	106,125	116,800	115,128	118,688	135,161
Commercial	895	902	973	981	1,077
Residential	168	175	177	199	206

COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEARS 1963 to 1967 (Inclusive)
(Thousands of Dollars)

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Operating Revenues					
Gas sales	\$ 4,039	4,920	5,474	6,353	7,253
Other	-	<u>66</u>	<u>105</u>	<u>139</u>	<u>220</u>
	4,039	4,986	5,579	6,492	7,473
Operating Expenses					
Gas purchased	2,628	3,172	3,388	4,141	4,714
Operations and maintenance	447	558	625	793	875
Depreciation	184	254	303	340	383
Taxes, other than income taxes	<u>85</u>	<u>84</u>	<u>89</u>	<u>105</u>	<u>105</u>
	3,344	4,068	4,405	5,379	6,077
Operating Income	695	918	1,174	1,113	1,396
Other Income	<u>93</u>	<u>58</u>	<u>56</u>	<u>63</u>	<u>83</u>
Total Operating and Other Income	788	976	1,230	1,176	1,479
Interest and Other Deductions					
Interest on long-term debt and bank loans	467	448	453	453	487
Amortization of deferred charges	<u>12</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>13</u>
	479	459	464	464	500
NET INCOME	309	517	766	712	979
Retained Earnings at Beginning of Year	(861)	455	851	1,496	2,237
Add: Utility plant and other adjustments - net	<u>1,065</u>	-	-	<u>149</u>	(889)
	513	972	1,617	2,357	2,327
Less: Dividends on preference shares	<u>58</u>	<u>121</u>	<u>121</u>	<u>120</u>	<u>116</u>
Retained Earnings at End of Year	\$ 455	851	1,496	2,237	2,211

LAKELAND NATURAL GAS LIMITED

9.

COMPARATIVE BALANCE SHEET
FOR THE YEARS 1963 to 1967 (Inclusive)
(Thousands of Dollars)

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
ASSETS					
Utility Plant					
Less: Accumulated depreciation	\$ 12,539	13,904	14,983	16,455	16,629
	<u>540</u>	<u>734</u>	<u>971</u>	<u>1,242</u>	<u>1,543</u>
	11,999	13,170	14,012	15,213	15,086
	<u>11,999</u>	<u>13,170</u>	<u>14,012</u>	<u>15,213</u>	<u>15,086</u>
Current Assets					
Cash	128	140	169	29	164
Accounts receivable	719	781	845	868	1,079
Unbilled gas sales	-	-	-	-	242
Advance to parent company	-	-	-	200	-
Materials and supplies	154	148	174	146	147
Prepayments, advances and deposits	<u>82</u>	<u>63</u>	<u>82</u>	<u>140</u>	<u>48</u>
	1,083	1,132	1,270	1,383	1,680
	<u>1,083</u>	<u>1,132</u>	<u>1,270</u>	<u>1,383</u>	<u>1,680</u>
Investments					
Mortgages receivable	<u>199</u>	<u>275</u>	<u>275</u>	<u>296</u>	<u>600</u>
Deferred Charges					
Unamortized debt discount and expense	209	197	186	175	162
Unamortized capital stock expense	190	190	190	187	184
Other	-	-	16	65	58
	<u>399</u>	<u>387</u>	<u>392</u>	<u>427</u>	<u>404</u>
	13,680	14,964	15,949	17,319	17,770
	<u>\$ 13,680</u>	<u>14,964</u>	<u>15,949</u>	<u>17,319</u>	<u>17,770</u>

LAKELAND NATURAL GAS LIMITED

10.

COMPARATIVE BALANCE SHEET
FOR THE YEARS 1963 to 1967 (Inclusive)
(Thousands of Dollars)

LIABILITIES	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Shareholders' Equity					
Capital Stock					
Preference shares	\$ 2,250	2,250	2,250	2,201	2,150
Common shares	1,464	1,479	1,746	1,751	1,752
Premium on common shares	1,363	1,393	2,067	2,078	2,080
Retained earnings	<u>455</u>	<u>851</u>	<u>1,496</u>	<u>2,088</u>	<u>2,211</u>
	<u>5,532</u>	<u>5,983</u>	<u>7,559</u>	<u>8,118</u>	<u>8,193</u>
Contributions in Aid of Construction	<u>8</u>	<u>10</u>	<u>11</u>	<u>20</u>	<u>23</u>
Long-Term Debt					
6% Subordinated debentures	<u>6,682</u>	<u>6,682</u>	<u>6,682</u>	<u>6,610</u>	<u>6,390</u>
Current Liabilities					
Bank loans	760	1,600	934	1,624	1,995
Accounts payable and accrued	514	515	579	691	<u>775</u>
Accrued interest	184	184	184	184	182
Current maturity on debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>72</u>	<u>212</u>
	<u>1,458</u>	<u>2,299</u>	<u>1,697</u>	<u>2,571</u>	<u>3,164</u>
\$ 13,680	<u>\$ 13,680</u>	<u>14,964</u>	<u>15,949</u>	<u>17,319</u>	<u>17,770</u>

5 YEAR STATISTICAL COMPARISON
FOR THE YEARS 1963 to 1967 (Inclusive)

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Gas Sales - Revenue (000's)					
Industrial firm	\$ 1,072	1,306	1,363	1,682	2,424
Industrial - Subject to curtailment	1,194	1,454	1,518	1,906	1,793
Commercial	468	536	636	677	777
Residential	1,305	1,623	1,958	2,087	2,259
Other operating revenue	-	<u>67</u>	<u>104</u>	<u>140</u>	<u>220</u>
Total Operating Revenue	\$ <u>4,039</u>	<u>4,986</u>	<u>5,579</u>	<u>6,492</u>	<u>7,473</u>
Gas Sales - Volume (M.M.C.F.)					
Industrial firm	1,863	2,235	2,335	2,806	4,179
Industrial - Subject to curtailment	2,689	3,224	3,369	4,440	3,989
Commercial	368	424	512	546	631
Residential	<u>962</u>	<u>1,185</u>	<u>1,432</u>	<u>1,515</u>	<u>1,686</u>
Active Customers Year End	5,882	<u>7,068</u>	<u>7,648</u>	<u>9,307</u>	<u>10,485</u>
Industrial	64	70	72	78	86
Commercial	869	935	998	1,067	1,170
Residential	<u>8,225</u>	<u>9,572</u>	<u>10,501</u>	<u>11,601</u>	<u>12,056</u>
Market Data					
Potential market on main - customers	31,090	<u>33,075</u>	<u>34,225</u>	<u>34,225</u>	<u>35,335</u>
Market on main sold	<u>28.6%</u>	<u>31.9%</u>	<u>33.6%</u>	<u>37.2%</u>	<u>37.7%</u>
Expenditures for Plant Additions (000's)	\$ <u>2,303</u>	<u>1,365</u>	<u>1,079</u>	<u>1,561</u>	<u>1,101</u>

5 YEAR STATISTICAL COMPARISON
FOR THE YEARS 1963 to 1967 (Inclusive)

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Average Use per Customer					
Industrial	71,137	77,979	79,223	98,894	102,103
Commercial	423	443	512	540	582
Residential	117	124	136	144	151
Average Revenue per M.C.F.					
Industrial	\$ 0.498	0.506	0.523	0.495	0.516
Commercial	1.274	1.263	1.243	1.240	1.231
Residential	1.357	1.370	1.340	1.347	1.340
Average Revenue per Customer					
Industrial	\$ 35,402	39,435	40,009	45,983	52,715
Commercial	539	573	637	669	716
Residential	159	170	184	199	202

COMPARATIVE STATEMENT OF INCOME
FOR THE YEARS 1963 to 1967 (Inclusive)
(Thousands of Dollars)

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Operating Revenues					
Gas sales	\$ 25,808	29,167	32,867	35,682	37,200
Other	<u>716</u>	<u>711</u>	<u>710</u>	<u>817</u>	<u>936</u>
	<u>26,524</u>	<u>29,878</u>	<u>33,577</u>	<u>36,499</u>	<u>38,136</u>
Operating Expenses					
Gas purchased	11,988	14,104	16,187	18,379	18,516
Operations and maintenance	6,762	6,419	6,878	7,918	8,752
Depreciation and amortization	2,242	2,285	2,719	2,747	2,878
Taxes, other than income taxes	<u>1,008</u>	<u>1,067</u>	<u>1,186</u>	<u>1,290</u>	<u>1,627</u>
	<u>22,000</u>	<u>23,875</u>	<u>26,970</u>	<u>30,334</u>	<u>31,773</u>
Operating Income	4,524	6,003	6,607	6,165	6,363
Other Income	<u>70</u>	<u>190</u>	<u>187</u>	<u>103</u>	<u>368</u>
Total Operating and Other Income	<u>4,594</u>	<u>6,193</u>	<u>6,794</u>	<u>6,268</u>	<u>6,731</u>
Interest and Other Deductions					
Interest on long-term debt and bank loans	4,360	4,644	4,497	4,260	4,776
Amortization of debt & capital stock expense	<u>153</u>	<u>163</u>	<u>166</u>	<u>140</u>	<u>178</u>
	<u>4,513</u>	<u>4,807</u>	<u>4,663</u>	<u>4,400</u>	<u>4,954</u>
NET INCOME	\$ 81	1,386	2,131	1,868	1,777

COMPARATIVE BALANCE SHEET
FOR THE YEARS 1963 to 1967 (Inclusive)
(Thousands of Dollars)

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
ASSETS					
Utility Plant					
Less: Accumulated depreciation	\$ 89,632	97,228	105,135	118,995	129,652
	<u>15,042</u>	<u>16,870</u>	<u>19,237</u>	<u>21,750</u>	<u>23,243</u>
	74,590	80,358	85,898	97,245	106,409
Investments					
Marketable securities	125	125	125	125	125
Mortgages receivable, exclusive of current portion	220	737	1,404	2,586	3,561
Other	-	-	-	77	413
	<u>345</u>	<u>862</u>	<u>1,529</u>	<u>2,788</u>	<u>4,099</u>
Current Assets					
Cash	928	1,555	722	747	622
Notes receivable	267	33	-	671	967
Mortgages receivable, current portion	67	173	287	477	748
Accounts receivable	2,650	2,322	2,396	3,265	4,825
Unbilled gas sales	3,273	3,679	3,832	2,915	3,076
Inventories, at cost	3,747	3,274	3,296	3,786	4,360
Prepayments, advances, and deposits	<u>710</u>	<u>430</u>	<u>786</u>	<u>839</u>	<u>1,268</u>
	11,642	11,466	11,319	12,700	15,866
Deferred Charges, less amortization					
Conversion expenses	4,202	3,736	3,269	2,802	2,336
Debt discount and capital stock expense	3,226	3,077	2,961	3,125	2,910
Other	<u>1,061</u>	<u>1,130</u>	<u>256</u>	<u>230</u>	<u>455</u>
	8,489	7,943	6,486	6,157	5,701
	\$ 95,066	100,629	150,232	118,890	132,075

COMPARATIVE BALANCE SHEET
FOR THE YEARS 1963 to 1967 (Inclusive)
(Thousands of Dollars)

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
LIABILITIES					
Shareholders' Equity					
Capital Stock					
6% Preferred shares, 1959 series	\$ 13,206	12,063	-	-	-
5.4% Preferred shares, 1965 series	-	-	10,000	10,000	10,000
5.5% Preferred shares, 1966 series	-	-	-	7,500	7,500
Common shares	1,753	1,926	3,546	3,546	3,556
Premium on common shares	12,743	13,825	6,883	6,502	6,594
Retained earnings	(17,900)	(16,513)	1,635	2,684	3,509
	<u>9,802</u>	<u>11,301</u>	<u>22,064</u>	<u>30,232</u>	<u>31,159</u>
Contributions in Aid of Construction	<u>317</u>	<u>317</u>	<u>604</u>	<u>977</u>	<u>1,086</u>
Long-Term Debt	<u>66,482</u>	<u>72,439</u>	<u>69,930</u>	<u>73,455</u>	<u>70,350</u>
Bank Loans	<u>8,941</u>	<u>8,535</u>	<u>3,000</u>	<u>3,800</u>	<u>13,000</u>
Note Payable to Parent Company	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,000</u>
Current Liabilities					
Notes payable	2,467	633	901	947	710
Accounts payable and accrued	4,375	4,130	4,880	5,950	6,907
Accrued interest	1,202	1,203	1,163	1,221	1,218
Taxes, other than income	173	188	166	239	577
Current maturities on long-term debt	<u>1,307</u>	<u>1,883</u>	<u>2,524</u>	<u>2,069</u>	<u>3,068</u>
	<u>9,524</u>	<u>8,037</u>	<u>9,634</u>	<u>10,426</u>	<u>12,480</u>
	<u>\$ 95,066</u>	<u>100,629</u>	<u>105,232</u>	<u>118,890</u>	<u>132,075</u>

5 YEAR STATISTICAL COMPARISON
FOR THE YEARS 1963 to 1967 (Inclusive)

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Gas Sales - Revenue (000's)					
Industrial firm	\$ 2,665	3,407	4,336	4,724	5,422
Industrial - Subject to curtailment	4,238	4,510	2,832	2,959	2,953
Commercial	3,359	3,768	4,260	4,612	5,409
Residential	15,546	17,482	18,442	18,704	19,830
Other operating revenue	716	711	710	817	936
Resale	-	-	<u>2,997</u>	<u>4,683</u>	<u>3,586</u>
Total Operating Revenue	<u>\$ 26,524</u>	<u>29,878</u>	<u>33,577</u>	<u>36,499</u>	<u>38,136</u>
Gas Sales - Volume (M.M.C.F.)					
Industrial	3,408	4,715	6,264	9,739	7,768
Industrial - Subject to curtailment	11,695	12,684	7,410	7,418	7,160
Commercial	2,803	3,236	3,670	4,041	4,721
Residential	8,828	10,613	11,782	12,068	12,845
Resale	-	-	<u>6,603</u>	<u>10,318</u>	<u>8,030</u>
	<u>26,734</u>	<u>31,248</u>	<u>35,729</u>	<u>40,584</u>	<u>40,524</u>
Active Customers at Year End					
Industrial	1,317	1,320	1,340	1,416	1,471
Commercial	9,582	9,573	9,685	9,684	9,818
Residential	207,522	205,894	203,113	199,326	202,976
Resale	-	-	<u>1</u>	<u>1</u>	<u>-</u>
	<u>218,421</u>	<u>216,787</u>	<u>214,139</u>	<u>210,427</u>	<u>214,265</u>

5 YEAR STATISTICAL COMPARISON
FOR THE YEARS 1963 to 1967 (Inclusive)

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Market Data					
Potential market on main - customers	316,121	329,587	333,539	333,927	344,045
Market on main sold	<u>69.1%</u>	<u>65.8%</u>	<u>64.2%</u>	<u>63.0%</u>	<u>62.3%</u>
Expenditures for Plant Additions (000's)	\$ 9,110	8,246	8,295	14,780	13,802
Average Use per Customer - Volume					
Industrial firm	3,029	4,140	5,382	5,510	6,121
Industrial - Subject to curtailment	94,315	82,899	47,196	46,652	44,199
Commercial	297	340	384	419	483
Residential	43	52	58	60	64
Average Revenue per M.C.F.					
Industrial firm	\$.78	.72	.69	.70	.70
Industrial - Subject to curtailment	.36	.36	.38	.40	.41
Commercial	1.20	1.16	1.16	1.14	1.15
Residential	1.76	1.65	1.57	1.55	1.54
Average Revenue per Customer					
Industrial firm	\$ 2,369	2,991	3,725	3,862	4,273
Industrial - Subject to curtailment	34,176	29,479	18,036	18,608	18,232
Commercial	356	396	446	478	553
Residential	75	85	91	94	99

COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEARS 1963 to 1967 (Inclusive)
(Thousands of Dollars)

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Operating Revenues					
Gas sales	\$ 13,116	16,158	19,046	21,450	22,861
Other	<u>323</u>	<u>494</u>	<u>665</u>	<u>844</u>	<u>1,014</u>
	<u>13,439</u>	<u>16,652</u>	<u>19,711</u>	<u>22,294</u>	<u>23,875</u>
Operating Expenses					
Gas purchased	7,342	8,237	9,454	10,664	11,440
Operations and maintenance	2,478	2,731	2,932	3,592	3,845
Depreciation and amortization	869	1,015	1,336	1,480	1,633
Taxes, other than income	541	644	732	844	1,100
Taxes, income	<u>-</u>	<u>337</u>	<u>1,046</u>	<u>1,282</u>	<u>1,330</u>
	<u>11,230</u>	<u>12,964</u>	<u>15,500</u>	<u>17,862</u>	<u>19,348</u>
Operating Income	2,209	3,688	4,211	4,432	4,527
Other Income	<u>225</u>	<u>259</u>	<u>273</u>	<u>232</u>	<u>272</u>
Total Operating and Other Income	<u>2,434</u>	<u>3,947</u>	<u>4,484</u>	<u>4,664</u>	<u>4,799</u>
Interest and Other Deductions					
Interest on long-term debt and bank loans	1,274	1,538	1,648	1,686	1,673
Amortization of deferred charges	<u>49</u>	<u>50</u>	<u>55</u>	<u>56</u>	<u>66</u>
	<u>1,323</u>	<u>1,588</u>	<u>1,703</u>	<u>1,742</u>	<u>1,739</u>
NET INCOME	1,111	2,359	2,781	2,922	3,060
Retained Earnings at Beginning of Year	<u>1,183</u>	<u>1,505</u>	<u>2,912</u>	<u>4,658</u>	<u>7,580</u>
Less: Dividends on common shares	2,294	3,864	5,693	7,580	10,640
	<u>789</u>	<u>952</u>	<u>1,035</u>	<u>-</u>	<u>-</u>
Retained Earnings at End of Year	<u>\$ 1,505</u>	<u>2,912</u>	<u>4,658</u>	<u>7,580</u>	<u>10,640</u>

GREATER WINNIPEG GAS COMPANY

19.

COMPARATIVE BALANCE SHEET
FOR THE YEARS 1963 to 1967 (Inclusive)
(Thousands of Dollars)

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
<u>ASSETS</u>					
Utility Plant		41,674	45,383	49,277	53,626
Less: Accumulated depreciation	\$ 36,033	<u>3,119</u>	<u>3,956</u>	<u>5,092</u>	<u>6,371</u>
	<u>33,552</u>	<u>38,555</u>	<u>41,427</u>	<u>44,185</u>	<u>47,255</u>
Current Assets					
Cash	132	72	46	9	6
Accounts receivable	3,935	4,094	3,986	4,301	3,909
Materials and supplies	478	474	562	578	704
Prepayments, advances and deposits	<u>46</u>	<u>39</u>	<u>7</u>	<u>119</u>	<u>209</u>
	<u>4,591</u>	<u>4,679</u>	<u>4,601</u>	<u>5,007</u>	<u>4,828</u>
Special Refundable Tax	-	-	-	<u>125</u>	<u>191</u>
Deferred Charges					
Unamortized debt discount and expense	767	889	834	779	725
Unamortized capital stock expense	220	220	220	220	209
Cost of conversion to natural gas					
Conversion expenses	479	410	342	274	205
Property losses	425	371	309	247	185
Other	<u>60</u>	<u>60</u>	<u>60</u>	<u>60</u>	<u>60</u>
	<u>1,951</u>	<u>1,950</u>	<u>1,765</u>	<u>1,580</u>	<u>1,384</u>
	\$ 40,094	<u>45,184</u>	<u>47,793</u>	<u>50,897</u>	<u>53,658</u>

GREATER WINNIPEG GAS COMPANY

20.

COMPARATIVE BALANCE SHEET
FOR THE YEARS 1963 to 1967 (Inclusive)
(Thousands of Dollars)

LIABILITIES	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Shareholders' Equity					
Capital Stock					
Common Shares - N.P.V.	\$ 9,314	9,324	9,487	9,488	9,487
Retained earnings	<u>1,505</u>	<u>2,912</u>	<u>4,658</u>	<u>7,580</u>	<u>10,640</u>
	<u>10,819</u>	<u>12,236</u>	<u>14,145</u>	<u>17,068</u>	<u>20,127</u>
Contributions in Aid of Construction	<u>197</u>	<u>201</u>	<u>209</u>	<u>224</u>	<u>248</u>
Long-Term Debt	<u>19,983</u>	<u>26,121</u>	<u>25,633</u>	<u>25,145</u>	<u>24,450</u>
Current Liabilities					
Bank loans	6,480	3,625	4,050	4,604	5,193
Accounts payable and accrued	2,154	2,063	2,210	2,395	2,238
Accrued interest	224	239	236	231	225
Income taxes payable	-	337	822	571	390
Current maturities on long-term debt	237	362	488	487	695
Due to associated companies	-	-	-	172	92
	<u>9,095</u>	<u>6,626</u>	<u>7,806</u>	<u>8,460</u>	<u>8,833</u>
	<u>\$ 40,094</u>	<u>45,184</u>	<u>47,793</u>	<u>50,897</u>	<u>53,658</u>

5 YEAR STATISTICAL COMPARISON
FOR THE YEARS 1963 to 1967 (Inclusive)

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Average Use per Customer - Volume					
Industrial	37,572	39,108	38,450	43,956	42,516
Commercial	1,036	1,158	1,296	1,363	1,373
Residential	149	161	172	173	174
Average Revenue per M.C.F.	\$				
Industrial	0.330	0.315	0.313	0.31	0.30
Commercial	0.729	0.724	0.711	0.70	0.70
Residential	0.915	0.906	0.900	0.90	0.90
Average Revenue per Customer	\$				
Industrial	12,471	12,310	12,055	13,592	12,959
Commercial	740	838	921	955	964
Residential	136	147	155	156	156

CONSOLIDATED STATEMENT OF INCOME
FOR THE YEARS 1963 to 1967 (Inclusive)
(Thousands of Dollars)

	<u>1963</u>	<u>1964</u>	(Note) <u>1965</u>	<u>1966</u>	<u>1967</u>
Operating Revenue					
Sales, service and other operating income	\$ <u>9,378</u>	<u>13,348</u>	<u>17,119</u>	<u>19,384</u>	<u>21,135</u>
Operating Expenses					
Gas and merchandise purchased	1,801	2,516	3,629	4,783	5,252
Selling, operating and administrative expense	2,798	4,038	4,644	5,426	5,486
Depreciation and depletion	1,664	2,711	2,876	3,071	3,632
Unproductive exploration, dry holdes and abandoned properties (Note)	997	1,179	-	-	-
Lease rentals on undeveloped properties (Note)	229	342	-	-	-
Income taxes of subsidiaries	<u>59</u>	<u>21</u>	<u>6</u>	<u>-</u>	<u>-</u>
Operating Income	<u>7,548</u>	<u>10,807</u>	<u>11,155</u>	<u>13,280</u>	<u>14,370</u>
Other Income, Less (Other Deductions):					
Interest and other income	200	197	238	144	226
Interest on bank loans & other long-term debt	(353)	(693)	(997)	(1,060)	(972)
Minority interest	<u>(27)</u>	<u>(22)</u>	<u>(125)</u>	<u>(84)</u>	<u>(99)</u>
	(180)	(518)	(884)	(1,000)	(845)
NET INCOME (Note)	<u>1,650</u>	<u>2,023</u>	<u>5,080</u>	<u>5,104</u>	<u>5,920</u>
Special Items					
Amounts written off investments in affiliated and subsidiary companies	(268)	-	-	-	-
Net gain on disposal of investments	<u>-</u>	<u>253</u>	<u>-</u>	<u>443</u>	<u>231</u>
	(268)	253	-	443	231
NET INCOME AND SPECIAL ITEMS (note)	\$ <u>1,382</u>	<u>2,276</u>	<u>5,080</u>	<u>5,547</u>	<u>6,151</u>

Note: Please see following page.

NOTES TO CONSOLIDATED STATEMENT OF INCOME
FOR THE YEARS 1963 to 1967 (Inclusive)

Prior to 1965 the companies engaged in exploration and development followed a practice of capitalizing only those costs which resulted in the discovery and development of oil and gas reserves and depleting such costs on the unit-of-production method based on estimated reserves, and non-productive drilling, exploration and property costs were charged to operations at the time the projects were abandoned.

Effective January 1, 1965 the companies adopted a new practice whereby all costs related to the exploration for and development of oil and gas reserves, whether productive or non-productive, are capitalized and depleted on a composit unit-of-production method based on total estimated reserves.

As a result of the change in accounting practice, net income for the year ended December 31, 1965 is approximately \$1,600,000 greater than the amount which would otherwise have been reported had the operations for that year been determined on the same basis as that for the two years ended December 31, 1964.

CONSOLIDATED BALANCE SHEET
FOR THE YEARS 1965 to 1967 (Inclusive)
(Thousands of Dollars)

<u>ASSETS</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Current			
Cash	\$ 689	695	4 97
Short-term deposits	150	345	870
Accounts and notes receivable	3,329	3,867	3,919
Due from parent company	-	617	-
Inventories of merchandise and supplies at lower of cost or replacement cost	580	808	803
Prepaid expenses and deposits	<u>120</u>	<u>126</u>	<u>180</u>
	<u>4,868</u>	<u>6,458</u>	<u>6,269</u>
Investments			
Affiliated companies - shares at cost and advances	185	810	896
Other companies at cost			
Debentures	1,746	287	287
Shares	<u>2,519</u>	<u>2,512</u>	<u>2,323</u>
	<u>4,450</u>	<u>3,609</u>	<u>3,506</u>
Property, Plant and Equipment, at cost	65,224	72,762	85,567
Less: Accumulated depletion and depreciation	<u>22,395</u>	<u>25,273</u>	<u>28,863</u>
	<u>42,829</u>	<u>47,489</u>	<u>56,704</u>
Other Assets			
	<u>-</u>	<u>319</u>	<u>302</u>
	<u>\$ 52,147</u>	<u>57,875</u>	<u>66,781</u>

CONSOLIDATED BALANCE SHEET
FOR THE YEARS 1965 to 1967 (Inclusive)
(Thousands of Dollars)

<u>LIABILITIES</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Current			
Bank loan	\$ 425	500	400
Accounts and notes payable and accrued charges	1,446	3,825	3,106
Dividend payable	126	110	110
Current maturities on long-term debt	<u>982</u>	<u>950</u>	<u>2,410</u>
	<u>2,979</u>	<u>5,385</u>	<u>6,026</u>
Long-Term Debt	<u>16,833</u>	<u>15,315</u>	<u>18,531</u>
Deferred Rental Income	<u>360</u>	<u>433</u>	<u>453</u>
Minority Interest in Subsidiary Company	<u>1,204</u>	<u>1,289</u>	<u>1,101</u>
Shareholders' Equity			
Capital Stock			
Authorized -			
440,712 5½% cumulative redeemable convertible			
preference shares, par value \$10 each			
6,047,430 common shares without par value			
Issued -			
399,477 preferred shares	4,588	3,995	3,995
5,360,843 common shares	16,703	17,405	17,596
Paid-in surplus	1,496	1,374	1,366
Earned surplus	<u>7,984</u>	<u>12,679</u>	<u>18,713</u>
	<u>30,771</u>	<u>35,453</u>	<u>41,670</u>
	\$ 52,147	57,875	67,781

5 YEAR STATISTICAL COMPARISON
FOR THE YEARS 1963 to 1967 (Inclusive)

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Net Production-					
Oil - Barrels (000's)	1,642	2,174	2,486	2,609	2,780
Gas - M.M.C.F.	10,912	21,756	22,338	24,281	25,598
Industrial Gas Sales - M.M.C.F.	11,607	25,159	29,563	33,424	35,695
Industrial Gas Purchases - M.M.C.F.	8,089	10,512	12,400	15,689	18,938
Liquified Gas Sales - Gallons (000's)	11,650	15,800	24,790	35,600	37,600

Note: Included above are figures for predecessor and subsidiary companies for the periods similar to those periods for which their results of operations have been included in the Consolidated Statement of Income i.e. for subsidiaries accounted for a "purchases", from their effective dates of acquisition, and for subsidiaries accounted for on the basis of a "pooling of interests", for the entire period.



NORTHERN AND CENTRAL GAS CORPORATION LIMITED

4600 Toronto-Dominion Centre, Toronto 1, Canada

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